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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/922,201	08/02/2001	Gregory Maurice Plow	STL920000037US1	1396

7590 11/03/2004

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EXAMINER

LASTRA, DANIEL

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 11/03/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/922,201

Applicant(s)

PLOW ET AL.

Examiner

DANIEL LASTRA

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 17 August 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-5, 8-16, 19-26 and 29-31 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-5, 8-16, 19-26 and 29-31 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

### **DETAILED ACTION**

1. Claims 1-5, 8-16, 19-26 and 29-31 have been examined. Application 09/922,201 (SYSTEM, METHOD, AND COMPUTER PROGRAM PRODUCT FOR SELECTIVELY DISPLAYING INTERNET ADVERTISEMENTS) has a filing date 08/02/2001.

### ***Response to Amendment***

2. In response to Office Action filed 07/06/04, the Applicant amended claims 1, 3, 8, 9, 11, 19, 22, 29 and cancel claims 6, 7, 17, 18, 27 and 28. Applicant amendment did not overcome the Section 101 rejection.

### ***Claim Rejections - 35 USC § 101***

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-5, 8-10, 30 and 31 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claims 1-5, 8-10, 30 and 31 are not within the technological arts. As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the

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inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed

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subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the

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analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, independent claims 1 and 30 recite a "useful, concrete and tangible result" (displaying advertisements), however the claims steps recite no structural limitations (i.e., computer implementation), and so they fail the first prong of the test (technological arts). Dependent claims 2-5, 8-10 and 31 do not remedy this situation as no structural limitations are recited. Applicant needs to include the computer implementation in the preamble and in the embodiment or steps of the method claims.

#### ***Claim Rejections - 35 USC § 102***

4. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 1-5, 8, 9, 11-16, 19-20, 22-26 and 29-31 are rejected under 35 U.S.C. 102(b) as being anticipated by Rakavy et al (U.S. 5,913,040).

As per claim 1, Rakavy teaches:

A computer-method for selectively displaying Internet advertisements, comprising the acts of:

*allowing a user to choose at least one advertisement channel from an advertisement channel menu presenting plural advertisement channels and displaying advertisements at least partially based on what channel is selected by the user (see column 3, lines 1-44; column 9, line 15 – column 10, line 12).*

As per claim 2, Rakavy teaches:

The method of Claim 1, further comprising the act of allowing the user to create an advertisement window in which advertisements are displayed (see column 11, lines 45-59).

As per claim 3, Rakavy teaches:

The method of Claim 1, further comprising the act of: displaying a menu of user definable *advertising* attributes (see column 9, lines 15-50; column 10, lines 21-40).

As per claim 4, Rakavy teaches:

The method of Claim 3, further comprising the act of:  
allowing the user to establish the values of the user definable attributes (see column 7, lines 42-67).

As per claim 5, Rakavy teaches:

The method of Claim 3, wherein the user definable attributes include at least one of: city, zip code, retailers, distance of travel to a retailer, means for delivery, retail only, or wholesale only (see column 7, lines 42-62; column 9, lines 15-50).

As per claim 8, Rakavy teaches:

The method of Claim 1, further comprising the act of displaying at least one advertisement corresponding to a user selected advertisement channel (see column 11, lines 45-57).

As per claim 9, Rakavy teaches:

The method of Claim 1, wherein the advertisement channels menu includes at least one of: a travel *advertisement* channel, a food *advertisement* channel, an automotive *advertisement* channel, a clothing *advertisement* channel, a music *advertisement* channel, a movie *advertisement* channel, an antiques *advertisement* channel, a hardware *advertisement* channel, a sporting goods *advertisement* channel, a housewares *advertisement* channel, an art supplies *advertisement* channel (see column 9, lines 34-40).

Claim 11 contains the same limitations as claim 1 therefore the same rejection is applied.

Claim 12 contains the same limitations as claim 1 therefore the same rejection is applied.

Claim 13 contains the same limitations as claim 3 therefore the same rejection is applied.

Claim 14 contains the same limitations as claim 4 therefore the same rejection is applied.

Claim 15 contains the same limitations as claim 5 therefore the same rejection is applied.



Claim 16 contains the same limitations as claim 6 therefore the same rejection is applied.

Claim 19 contains the same limitations as claim 9 therefore the same rejection is applied.

Claim 20 contains the same limitations as claim 2 therefore the same rejection is applied.

Claim 22 contains the same limitations as claim 12 therefore the same rejection is applied.

Claim 23 contains the same limitations as claim 13 therefore the same rejection is applied.

Claim 24 contains the same limitations as claim 14 therefore the same rejection is applied.

Claim 25 contains the same limitations as claim 15 therefore the same rejection is applied.

Claim 26 contains the same limitations as claim 16 therefore the same rejection is applied.

Claim 29 contains the same limitations as claim 19 therefore the same rejection is applied.

Claim 30 contains the same limitations as claim 2 therefore the same rejection is applied.

Claim 31 contains the same limitations as claims 5 and 8 therefore the same rejection is applied.

Claims 10 and 21 are rejected under 35 U.S.C. 103(a) as being unpatentable over Rakavy et al (U.S. 5,913,040) in view of Smith (U.S. 6,615,248).

As per claim 10, Rakavy teaches:

The method of Claim 1, but fails to teach wherein the advertisements are displayed at a device that receives Internet content and television broadcast content. Smith teaches a system that displays television programs and Internet content in a user's browser (see figures 4 and 5; column 7, lines 25-45). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the application was made, to know that Rakavy would use the system taught by Smith, to display television programs and Internet information in a browser. This feature would allow users to view television programs, while simultaneously searching for information via the Internet.

Claim 21 contains the same limitations as claim 10 therefore the same rejection is applied.

### ***Response to Arguments***

5. Applicant's arguments, filed 08/17/04, with respect to the rejection(s) of claim(s) 1-5, 8-16, 19-26 and 29-31 under Reilly have been fully considered and are persuasive. Therefore, the rejection has been withdrawn. However, upon further consideration, a new ground(s) of rejection is made in view of Rakavy.

### ***Conclusion***

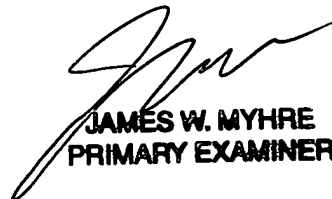
6. Any inquiry concerning this communication or earlier communications from the examiner should be directed to DANIEL LASTRA whose telephone number is 703-306-5933. The examiner can normally be reached on 9:30-6:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, ERIC W STAMBER can be reached on 703-305-8469. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Daniel Lastra  
October 26, 2004



**JAMES W. MYHRE**  
**PRIMARY EXAMINER**